Air Quality Permit

Issued To: Omimex Canada, Ltd.
Cut Bank Field, Station 025
5608 Malvey, Penthouse Suite
Fort Worth, TX 76107

Permit #2764-06
Administrative Amendment (AA) Received: 03/05/04
Department Decision on AA: 06/30/04
Permit Final: 07/16/04
AFS #: 035-0008

An air quality permit, with conditions, is hereby granted to Omimex Canada, Ltd. (Omimex) - Cut Bank Field, Station 025, pursuant to Sections 75-2-204 and 211, Montana Code Annotated (MCA), as amended, and Administrative Rules of Montana (ARM) 17.8.740, *et seq*., as amended, for the following:

Section I: Permitted Facilities

A. Plant Location

The Omimex natural gas compressor station is located in the SE¼ of the SE¼ of Section 24, Township 36 North, Range 5 West, in Glacier County, Montana. The facility is known as the Cut Bank Field, Station 025. A complete list of permitted equipment is contained in Section I.A. of the permit analysis.

B. Current Permit Action

On March 5, 2004, the Department of Environmental Quality (Department) received a letter from Omimex requesting that the Department change the corporate name on Permit #2764-05 from EnCana Gathering Services (USA), Inc. (EnCana Gathering) to Omimex. The current permitting action changes the corporate name and updates the permit to reflect current permit language and rule references. Permit #2764-06 replaces Permit #2764-05.

Section II: Conditions and Limitations

A. Emission Limitations

1. Emissions from the turbo-charged 825-horsepower (hp) Superior compressor engine shall not exceed the following (ARM 17.8.752 and ARM 17.8.1204):

NO_X[1]	21.83 lb/hr
CO	3.30 lb/hr
VOC	0.40 lb/hr

2. Omimex shall not cause or authorize emissions to be discharged into the outdoor atmosphere, from any sources installed after November 23, 1968, that exhibit an opacity of 20% or greater averaged over 6 consecutive minutes (ARM 17.8.304).

3. Omimex shall not cause or authorize the use of any street, road, or parking lot without taking reasonable precautions to control emissions of airborne particulate matter (ARM 17.8.308).

4. Omimex shall treat all unpaved portions of the haul roads, access roads, parking lots, or general plant area with water and/or chemical dust suppressant as necessary to maintain compliance with the reasonable precautions limitation in

1 NO_X reported as NO_2

Section II.A.3. (ARM 17.8.749).

5. Omimex shall operate all equipment to provide the maximum air pollution control for which it was designed (ARM 17.8.752).

B. Testing Requirements

1. The turbo-charged 825-hp Superior compressor engine shall be tested concurrently for nitrogen oxides (NO_X) and carbon monoxide (CO) to demonstrate compliance with the conditions contained in Section II.A.1. The station was last tested February, 2003. Testing shall continue on an every-4-year basis or according to another testing/monitoring schedule as may be approved by the Department (ARM 17.8.105 and ARM 17.8.749).

2. All compliance source tests shall be conducted in accordance with the Montana Source Test Protocol and Procedures Manual (ARM 17.8.106).

3. The Department may require further testing (ARM 17.8.105).

C. Operational Reporting Requirements

1. Omimex shall supply the Department with annual production information for all emission points, as required by the Department in the annual emission inventory request. The request will include, but is not limited to, all sources of emissions identified in the emission inventory contained in the permit analysis.

   Production information shall be gathered on a calendar-year basis and submitted to the Department by the date required in the Emission Inventory request. Information shall be in the units required by the Department. This information may be used for calculating operating fees, based on actual emissions from the facility, and/or to verify compliance with permit limitations (ARM 17.8.505).

2. Omimex shall notify the Department of any construction or improvement project conducted pursuant to ARM 17.8.745, that would include a change in control equipment, stack height, stack diameter, stack flow, stack gas temperature, source location, or fuel specifications, or would result in an increase in source capacity above its permitted operation or the addition of a new emission unit. The notice must be submitted to the Department, in writing, 10 days prior to start up or use of the proposed de minimis change, or as soon as reasonably practicable in the event of an unanticipated circumstance causing the de minimis change and must include the information requested in ARM 17.8.745(1)(d) (ARM 17.8.745).

3. All records compiled in accordance with this permit must be maintained by Omimex as a permanent business record for at least 5 years following the date of the measurement, must be available at the plant site for inspection by the Department, and must be submitted to the Department upon request (ARM 17.8.749).

4. Omimex shall annually certify that its actual emissions are less than those that would require the source to obtain an air quality operating permit as required by ARM 17.8.1204(3)(b). The annual certification shall comply with the certification requirements of ARM 17.8.1207. The annual certification shall be submitted along with the annual Emission Inventory information.

Section III: General Conditions

A. Inspection - Omimex shall allow the Department's representatives access to the source at all reasonable times for the purpose of making inspections, surveys, collecting samples, obtaining data, auditing any monitoring equipment (CEMS, CERMS) or observing any monitoring or testing, and otherwise conducting all necessary functions related to this permit.

B. Waiver - The permit and all the terms, conditions, and matters stated herein shall be deemed accepted if Omimex fails to appeal as indicated below.

C. Compliance with Statutes and Regulations - Nothing in this permit shall be construed as relieving Omimex of the responsibility for complying with any applicable federal or Montana statute, rule, or standard, except as specifically provided in ARM 17.8.740, *et seq.* (ARM 17.8.756).

D. Enforcement - Violations of limitations, conditions and requirements contained herein may constitute grounds for permit revocation, penalties or other enforcement as specified in Section 75-2-401, *et seq.*, MCA.

E. Appeals - Any person or persons jointly or severally adversely affected by the Department's decision may request, within 15 days after the Department renders it's decision, upon affidavit setting forth the grounds therefore, a hearing before the Board of Environmental Review (Board). A hearing shall be held under the provisions of the Montana Administrative Procedures Act. The Department's decision on the application is not final unless 15 days have elapsed and there is no request for a hearing under this section. The filing of a request for a hearing postpones the effective date of the Department's decision until the conclusion of the hearing and issuance of a final decision by the Board.

F. Permit Inspection - As required by ARM 17.8.755, Inspection of Permit, a copy of the air quality permit shall be made available for inspection by Department personnel at the location of the source.

G. Permit Fees - Pursuant to Section 75-2-220, MCA, as amended by the 1991 Legislature, failure to pay the annual operation fee by Omimex may be grounds for revocation of this permit, as required by that section and rules adopted thereunder by the Board.

Permit Analysis
Omimex Canada, Ltd.
Cut Bank Field, Station 025
Permit #2764-06

I. Introduction/Process Description

A. Permitted Equipment

Omimex Canada, Ltd. (Omimex) - Cut Bank Field, Station 025 operates a compressor station and associated equipment located in the SE¼ of the SE¼ of Section 24, Township 36 North, Range 5 West, Glacier County, Montana. The facility includes the following equipment:

(1) 1986 turbo-charged 825-horsepower (hp) Superior compressor engine
(1) 1986 175-Thousand British Thermal Units (MBtu)/hr Sivalls Reboiler
(1) 1986 120-MBtu/hr Hotomatic Heater

B. Source Description

The complex has two primary purposes. The first is to pump the field gas up to the required pressure in the natural gas transmission system. Compression of the gas is accomplished using the compressor described above. An engine heater provides the heat to the various station facilities.

The second purpose of the complex is to "dry" the gas as it is being processed. The gas contains some moisture, which must be removed from the system prior to being sent into the transmission system. This is accomplished with a dehydrator, commonly called a reboiler or glycol unit.

The gas is treated with a glycol solution, which absorbs the water in the gas stream. The glycol solution is then heated to about 300 degrees Fahrenheit (^{o}F) to drive off the water and return the glycol. Burning natural gas in the dehydrator reboiler generates the heat necessary for this activity. This unit will have a heat input of approximately 175 MBtu/hr. The reboiler is small by industrial standards, having a size approximately equivalent to a typical natural gas-fired small office heating system.

C. Permit History

On September 23, 1993, the Montana Power Company (Montana Power) was issued **Permit #2764-00** for the operation of their compressor station and associated equipment located in the SE¼ of the SE¼ of Section 24, Township 36 North, Range 5 West, in Glacier County near Cut Bank, Montana. The station was identified as the Cut Bank Field, Station 025.

A Best Available Control Technology (BACT) determination was required for the turbo-charged 825-hp Superior compressor engine since it was not operating at the same location prior to March 16, 1979. Based on the BACT analysis for the turbo-charged 825-hp Superior compressor engine, the Department of Environmental Quality (Department) determined BACT for this source to be the proper operation of the engine to maintain compliance with the emission limitations in Section II.A.1. of the permit.

Permit #2764-01 was issued on February 18, 1994. The permit was updated to change units from gram per brake horse power-hour (g/bhp-hr) to pounds per hour (lb/hr). The revision allowed for varying parameters such as engine RPM, operating load (bhp), ambient air temperature, gas temperature, site elevation, fuel gas quality, Air/Fuel Ratio (AFR), field gas conditions, etc. Rather than limit the engines to a g/bhp-hr limit, an hourly emission limit allowed operational flexibility. In addition, to clarify nitrogen oxides (NO_X) mass emission calculations, NO_X emission limitations were identified as nitrogen dioxide (NO_2). Permit #2764-01 replaced Permit #2764-00.

On September 19, 1997, **Permit #2764-02** became final. This permit alteration placed an hourly operational limit on the Montana Power - Station 025 facility to keep the station below the emission threshold that would require the facility to obtain a Title V Operating Permit. Furthermore, the rule references were updated and additional reporting requirements were added to the permit. Permit #2764-02 replaced Permit #2764-01.

On May 23, 2001, **Permit #2764-03** became final. Montana Power requested a name change to Montana Power Gas Company. The appropriate references in the permit were changed to reflect the name change. Montana Power also requested that the NO_X emission limit be changed from 27.3 lb/hr to 21.83 lb/hr and the hourly limitation in the permit be removed. The lower emission limit was based on source tests in 1993 and 1997. Furthermore, the permit was updated to reflect the current format used for writing permits. Permit #2764-03 replaced Permit #2764-02.

On August 21, 2002, **Permit #2764-04** became final. On January 22, 2002, the Department received a notice of corporate merger and name change from PanCanadian Energy Resources, Inc. (PanCanadian). The letter notified the Department that Montana Power Gas Company, Xeno, Inc., and Entech Gas Ventures, Inc. merged into North American Resources Company (NARCO) as of January 1, 2002. The letter also stated that at the same time, NARCO changed its corporate name to PanCanadian. In addition, on April 18, 2002, the Department received a letter from PanCanadian requesting a name change from PanCanadian to EnCana Energy Resources, Inc. (EnCana). The current permit action transferred the permit from Montana Power Gas Company to EnCana and updated the permit with current permit language and rule references used by the Department. Permit #2764-04 replaced Permit #2764-03.

On April 30, 2003, the Department received a letter from EnCana requesting the Department remove the annual certification condition in Section II.C.4. of the permit. In addition, a letter from Encana received by the Department May 21, 2003, requested the Department add testing requirements, which were inadvertently removed during the last permitting action (Permit #2764-04), back into the permit. On June 5, 2003, the Department received a letter from EnCana requesting the Department change the name on Permit #2764-04 from EnCana to EnCana Gathering Services (USA), Inc. (EnCana Gathering). This permit action did not remove Section II.C.4. from the permit because the Potential To Emit (PTE) from the source would be above 100 tons per year for a single pollutant without the imposition of the voluntary emission limits. This permit action added the testing requirements back into the permit, changed the name from EnCana to EnCana Gathering, and updated the permit to reflect current permit language and rule references used by the Department. **Permit #2764-05** replaced Permit #2764-04.

D. Current Permit Action

On March 5, 2004, the Department received a letter from Omimex requesting the Department change the corporate name on Permit #2764-05 from EnCana Gathering to Omimex. The current permitting action changes the corporate name and updates the permit to reflect current permit language and rule references on Permit #2764-05. Permit **#2764-06** replaces Permit #2764-05.

E. Additional Information

Additional information, such as applicable rules and regulations, BACT/Reasonably Available Control Technology (RACT) determinations, air quality impacts, and environmental assessments, is included in the analysis associated with each change to the permit.

II. Applicable Rules and Regulations

The following are partial explanations of some applicable rules and regulations that apply to the facility. The complete rules are stated in the Administrative Rules of Montana (ARM) and are available, upon request, from the Department. Upon request, the Department will provide references for the locations of complete copies of all applicable rules and regulations or copies where appropriate.

A. ARM 17.8, Subchapter 1 - General Provisions, including, but not limited to:

1. ARM 17.8.101 Definitions. This rule is a list of applicable definitions used in this subchapter, unless indicated otherwise in a specific subchapter.

2. ARM 17.8.105 Testing Requirements. Any person or persons responsible for the emission of any air contaminant into the outdoor atmosphere shall, upon written request of the Department, provide the facilities and necessary equipment, (including instruments and sensing devices), and shall conduct tests, emission or ambient, for such periods of time as may be necessary using methods approved by the Department.

3. ARM 17.8.106 Source Testing Protocol. The requirements of this rule apply to any emission source testing conducted by the Department, any source, or other entity as required by any rule in this chapter, or any permit or order issued pursuant to this chapter, or the provisions of the Clean Air Act of Montana, 75-2-101, *et seq*., Montana Code Annotated (MCA).

   Omimex shall comply with all requirements contained in the Montana Source Test Protocol and Procedures Manual, including, but not limited to, using the proper test methods and supplying the required reports. A copy of the Montana Source Test Protocol and Procedures Manual is available from the Department upon request.

4. ARM 17.8.110 Malfunctions. (2) The Department must be notified promptly by telephone whenever a malfunction occurs that can be expected to create emissions in excess of any applicable emission limitation or to continue for a period greater than 4 hours.

5. ARM 17.8.111 Circumvention. (1) No person shall cause or permit the installation or use of any device or any means that, without resulting in reduction in the total amount of air contaminant emitted, conceals or dilutes an emission of air contaminant that would otherwise violate an air pollution control regulation. (2) No equipment that may produce emissions shall be operated or maintained in such a manner as to create a public nuisance.

B. ARM 17.8, Subchapter 2 - Ambient Air Quality, including, but not limited to:

1. ARM 17.8.204 Ambient Air Monitoring
2. ARM 17.8.210 Ambient Air Quality Standards for Sulfur Dioxide
3. ARM 17.8.211 Ambient Air Quality Standards for Nitrogen Dioxide
4. ARM 17.8.212 Ambient Air Quality Standards for Carbon Monoxide
5. ARM 17.8.213 Ambient Air Quality Standard for Ozone
6. ARM 17.8.214 Ambient Air Quality Standard for Hydrogen Sulfide
7. ARM 17.8.220 Ambient Air Quality Standard for Settled Particulate Matter
8. ARM 17.8.221 Ambient Air Quality Standard for Visibility
9. ARM 17.8.222 Ambient Air Quality Standard for Lead
10. ARM 17.8.223 Ambient Air Quality Standard for PM_{10}

Omimex must maintain compliance with the applicable ambient air quality standards.

C. ARM 17.8, Subchapter 3 - Emission Standards, including, but not limited to:

1. ARM 17.8.304 Visible Air Contaminants. (1) This rule requires that no person may cause or authorize emissions to be discharged to an outdoor atmosphere from any source installed on or before November 23, 1968, that exhibit an opacity of 40% or greater averaged over 6 consecutive minutes. (2) This rule requires that no person may cause or authorize emissions to be discharged to an outdoor atmosphere from any source installed after November 23, 1968, that exhibit an opacity of 20% or greater averaged over 6 consecutive minutes.

2. ARM 17.8.308 Particulate Matter, Airborne. (1) This rule requires an opacity limitation of less than 20% for all fugitive emissions sources, and that reasonable precautionary measures be taken to control emissions of airborne particulate matter. (2) Under this rule, Omimex shall not cause or authorize the use of any street, road, or parking lot without taking reasonable precautions to control emissions of airborne particulate matter.

3. ARM 17.8.309 Particulate Matter, Fuel Burning Equipment. This rule requires that no person shall cause, allow, or permit to be discharged into the atmosphere particulate matter caused by the combustion of fuel in excess of the amount determined by this rule.

4. ARM 17.8.310 Particulate Matter, Industrial Process. This rule requires that no person shall cause, allow, or permit to be discharged into the atmosphere particulate matter in excess of the amount set fourth in this rule.

5. ARM 17.8.322 Sulfur Oxide Emissions--Sulfur in Fuel. (5) Commencing July 1, 1971, no person shall burn any gaseous fuel containing sulfur compounds in excess of 50 grains per 100 cubic feet of gaseous fuel, calculated as hydrogen sulfide at standard conditions. Omimex will burn pipeline quality natural gas in the permitted equipment, which will meet this limitation.

6. ARM 17.8.324 Hydrocarbon Emissions--Petroleum Products. (3) No person shall load or permit the loading of gasoline into any stationary tank with a capacity of 250 gallons or more from any tank truck or trailer, except through a permanent submerged fill pipe, unless such tank is equipped with a vapor loss control device as described in (1) of this rule, or is a pressure tank as described in (1) of this rule.

7. ARM 17.8.340 Standards of Performance for New Stationary Sources and Emission Guidelines for Existing Sources. This rule incorporates, by reference, 40 CFR 60, Standards of Performance for New Stationary Sources (NSPS). This facility is not an NSPS affected source because it does not meet the definition of any NSPS subpart defined in 40 CFR 60.

8. ARM 17.8.342 Emission Standards for Hazardous Air Pollutants for Source Categories. The source, as defined and applied in 40 CFR 63, shall comply with the requirements of 40 CFR 63, as listed below:

40 CFR 63, Subpart HH - National Emission Standards for Hazardous Air Pollutants From Oil and Natural Gas Production Facilities. Owners or operators of oil and natural gas production facilities, as defined and applied in 40 CFR Part 63, shall comply with the applicable provisions of 40 CFR Part 63, Subpart HH. In order for a natural gas production facility to be subject to 40 CFR Part 63, Subpart HH requirements, certain criteria must be met. First, the facility must be a major source of Hazardous Air Pollutants (HAP) as determined according to paragraphs (a)(1)(i) through (a)(1)(iii) of 40 CFR 63, Subpart HH. Second, a facility that is determined to be major for HAPs must also either process, upgrade, or store hydrocarbon liquids prior to the point of custody transfer, or process, upgrade, or store natural gas prior to the point at which natural gas enters the natural gas transmission and storage source category or is delivered to a final end user. Third, the facility must also contain an affected source as specified in paragraphs (b)(1) through (b)(4) of 40 CFR Part 63, Subpart HH. Finally, if the first three criteria are met, and the exemptions contained in paragraphs (e)(1) and (e)(2) of 40 CFR Part 63, Subpart HH do not apply, the facility is subject to the applicable provisions of 40 CFR Part 63, Subpart HH. Because the facility is not a major source of HAPs, Omimex is not subject to the provisions of 40 CFR Part 63, Subpart HH.

40 CFR 63, Subpart HHH National Emission Standards for Hazardous Air Pollutants From Natural Gas Transmission and Storage Facilities. Owners or operators of natural gas transmission or storage facilities, as defined and applied in 40 CFR Part 63, shall comply with the standards and provisions of 40 CFR Part 63, Subpart HHH. In order for a natural gas transmission and storage facility to be subject to 40 CFR Part 63, Subpart HHH requirements, certain criteria must be met. First, the facility must transport or store natural gas prior to the gas entering the pipeline to a local distribution company or to a final end user if there is no local distribution company. In addition, the facility must be a major source of HAPs as determined using the maximum natural gas throughput as calculated in either paragraphs (a)(1) and (a)(2) or paragraphs (a)(2) and (a)(3) of 40 CFR Part 63, Subpart HHH. Second, a facility must contain an affected source (glycol dehydration unit) as defined in paragraph (b) of 40 CFR Part 63, Subpart HHH. Finally, if the first two criteria are met, and the exemptions contained in paragraph (f) of 40 CFR Part 63, Subpart HHH, do not apply, the facility is subject to the applicable provisions of 40 CFR Part 63, Subpart HHH. Because the facility is not a major source of HAPs, Omimex is not subject to the

provisions of 40 CFR 63, Subpart HHH.

D. ARM 17.8, Subchapter 5 - Air Quality Permit Application, Operation, and Open Burning Fees, including, but not limited to:

1. ARM 17.8.504 Air Quality Permit Application Fees. This rule requires that an applicant submit an air quality permit application fee concurrent with the submittal of an air quality permit application. A permit application is incomplete until the proper application fee is paid to the Department. Omimex was not required to submit a permit application fee because the change is considered administrative.

2. ARM 17.8.505 Air Quality Operation Fees. An annual air quality operation fee must, as a condition of continued operation, be submitted to the Department by each source of air contaminants holding an air quality permit, excluding an open burning permit, issued by the Department. This operation fee is based on the actual or estimated amount of air pollutants emitted during the previous calendar year.

   An air quality operation fee is separate and distinct from an air quality permit application fee. The annual assessment and collection of the air quality operation fee, as described above, shall take place on a calendar-year basis. The Department may insert into any final permit issued after the effective date of these rules such conditions as may be necessary to require the payment of an air quality operation fee on a calendar-year basis, including provisions which pro-rate the required fee amount.

E. ARM 17.8, Subchapter 7 - Permit, Construction, and Operation of Air Contaminant Sources, including, but not limited to:

1. ARM 17.8.740 Definitions. This rule is a list of applicable definitions used in this subchapter, unless indicated otherwise in a specific subchapter.

2. ARM 17.8.743 Montana Air Quality Permits--When Required. This rule requires a facility to obtain an air quality permit or permit alteration if they construct, alter or use any air contaminant sources that have the PTE greater than 25 tons per year of any pollutant. Omimex has a PTE greater than 25 tons per year of NO_X; therefore, an air quality permit is required.

3. ARM 17.8.744 Montana Air Quality Permits--General Exclusions. This rule identifies the activities that are not subject to the Montana Air Quality Permit program.

4. ARM 17.8.745 Montana Air Quality Permit--Exclusion for De Minimis Changes. This rule identifies the de minimis changes at permitted facilities that are not subject to the Montana Air Quality Permit Program.

5. ARM 17.8.748 New or Modified Emitting Units--Permit Application Requirements. (1) This rule requires that a permit application be submitted prior to installation, alteration or use of a source. Omimex was not required to submit an application for the current permit action because the change is considered administrative.

6. ARM 17.8.749 Conditions for Issuance or Denial of Permit. This rule requires that the permits issued by the Department must authorize the construction and operation of the facility or emitting unit subject to the conditions in the permit and the requirements of this subchapter. This rule also requires that the permit must contain any conditions necessary to assure compliance with the Federal Clean Air Act (FCAA), the Clean Air Act of Montana, and rules adopted under those acts.

7. ARM 17.8.752 Emission Control Requirements. This rule requires a source to install the maximum air pollution control capability that is technically practicable and economically feasible, except that BACT shall be utilized. A BACT determination was not required for the current permit action because there are no new or altered sources permitted as a part of this action and because the change is considered administrative.

8. ARM 17.8.755 Inspection of Permit. This rule requires that air quality permits shall be made available for inspection by the Department at the location of the source.

9. ARM 17.8.756 Compliance with Other Statutes and Rules. This rule states that nothing in the permit shall be construed as relieving Omimex of the responsibility for complying with any applicable federal or Montana statute, rule, or standard, except as specifically provided in ARM 17.8.740, *et seq*.

10. ARM 17.8.759 Public Review of Permit Applications. This rule requires that Omimex notify the public by means of legal publication in a newspaper of general circulation in the area affected by the application for a permit. Omimex was not required to publish an affidavit of publication of public notice for the current permit action because the change is considered administrative.

11. ARM 17.8.762 Duration of Permit. An air quality permit shall be valid until revoked or modified as provided in this subchapter, except that a permit issued prior to construction of a new or altered source may contain a condition providing that the permit will expire unless construction is commenced within the time specified in the permit, which in no event may be less than 1 year after the permit is issued.

12. ARM 17.8.763 Revocation of Permit. An air quality permit may be revoked upon written request of the permittee, or for violations of any requirement of the Clean Air Act of Montana, rules adopted under the Clean Air Act of Montana, the FCAA, rules adopted under the FCAA, or any applicable requirement contained in the Montana State Implementation Plan (SIP).

13. ARM 17.8.764 Administrative Amendment to Permit. An air quality permit may be amended for changes in any applicable rules and standards adopted by the Board of Environmental Review (Board) or changed conditions of operation at a source or stack that do not result in an increase of emissions as a result of those changed conditions. The owner or operator of a facility may not increase the facility's emissions beyond permit limits unless the increase meets the criteria in ARM 17.8.745 for a de minimis change not requiring a permit, or unless the owner or operator applies for and receives another permit in accordance with ARM 17.8.748, ARM 17.8.749, ARM 17.8.752, ARM 17.8.755, and ARM

17.8.756, and with all applicable requirements in ARM Title 17, Chapter 8, Subchapters 8, 9, and 10.

14. ARM 17.8.765 Transfer of Permit. This rule states that an air quality permit may be transferred from one person to another if written notice of Intent to Transfer, including the names of the transferor and the transferee, is sent to the Department.

F. ARM 17.8, Subchapter 8 - Prevention of Significant Deterioration of Air Quality, including, but not limited to:

1. ARM 17.8.801 Definitions. This rule is a list of applicable definitions used in this subchapter.

2. ARM 17.8.818 Review of Major Stationary Sources and Major Modification--Source Applicability and Exemptions. The requirements contained in ARM 17.8.819 through ARM 17.8.827 shall apply to any major stationary source and any major modification, with respect to each pollutant subject to regulation under the FCAA that it would emit, except as this subchapter would otherwise allow.

   This facility is not a major stationary source since this facility is not listed and does not have a PTE greater than 250 tons per year of any air pollutant (excluding fugitive emissions).

G. ARM 17.8, Subchapter 12 - Operating Permit Program Applicability, including, but not limited to:

1. ARM 17.8.1201 Definitions. (23) Major Source under Section 7412 of the FCAA is defined as any stationary source having:

   a. PTE > 100 tons/year of any pollutant;

   b. PTE > 10 tons/year of any one HAP, PTE > 25 tons/year of a combination of all HAPs, or lesser quantity as the Department may establish by rule; or

   c. PTE > 70 tons/year of PM_{10} in a serious PM_{10} nonattainment area.

2. ARM 17.8.1204 Air Quality Operating Permit Program Applicability. (1) Title V of the FCAA amendments of 1990 requires that all sources, as defined in ARM 17.8.1204 (1), obtain a Title V Operating Permit. In reviewing and issuing Air Quality Permit #2764-06 for Omimex, the following conclusions were made:

   a. The facility's PTE is less than 100 tons/year for all criteria pollutants.

   b. The facility's PTE is less than 10 tons/year of any one HAP and less than 25 tons/year of all HAPs.

   c. This source is not located in a serious PM_{10} nonattainment area.

   d. This facility is not subject to any current NESHAP standards.

   e. This facility is not an NSPS affected source.

   f. This source is neither a Title IV affected source, or a solid waste

combustion unit.

g. This source is not an EPA designated Title V source.
Omimex Permit #2764-06 includes a federally enforceable limit that allows the facility to stay below the Title V Operating Permit threshold. Therefore, the facility will not be required to obtain a Title V Operating Permit.

h. ARM 17.8.1204(3). The Department may exempt a source from the requirement to obtain an air quality operating permit by establishing federally enforceable limitations, which limit that source's PTE.

i. In applying for an exemption under this section, the owner or operator of the source shall certify to the Department that the source's PTE does not require the source to obtain an air quality operating permit.

ii. Any source that obtains a federally enforceable limit on PTE shall annually certify that its actual emissions are less than those that would require the source to obtain an air quality operating permit.

The Department determined that the annual reporting requirements contained in the permit are sufficient to satisfy this requirement.

3. ARM 17.8.1207 Certification of Truth, Accuracy, and Completeness. The compliance certification submittal required by ARM 17.8.1204(3) shall contain certification by a responsible official of truth, accuracy, and completeness. This certification, and any other certification required under this subchapter, shall state that, based on information and belief formed after reasonable inquiry, the statements and information in the document are true, accurate, and complete.

III. BACT Determination

A BACT determination is required for each new or altered source. Omimex shall install on the new or altered source the maximum air pollution control capability, which is technically practicable and economically feasible, except that BACT shall be utilized. A BACT analysis is not required for the current permit action, because there are no new or altered sources permitted as a part of this action and because the change is considered administrative.

IV. Emission Inventory

	Tons/Year					
Source	PM	PM_{10}	NO_X	VOC	CO	SO_X
825-hp Superior	0.31	0.31	95.61	1.59	14.32	0.02
Sivalls Dehydrator Reboiler	0.01	0.01	0.08	0.00	0.02	0.00
Heaters	0.05	0.05	0.44	0.02	0.09	0.00
Total	0.37	0.37	96.13	1.61	14.33	0.02

(SOURCE #01)
825-hp Superior 6GTL/W62 Compressor Engine

Brake Horsepower:	825	bhp	
Hours of Operation:	8760	hr/yr	
Max Fuel Combustion Rate:	8.50	MBtu/bhp-hr * 825 bhp= 7,013 MBtu/hr * 1 MMBtu/1,000 MBtu =	7.01 MMBtu/hr
Fuel Heating Value:	1,000	Btu/SCF or 0.0010 MMSCF/MMBtu	

PM Emissions

Emission Factor:	10.00	lb/MMSCF {FIRE, PC Version, 1/95, 2-02-002-02}	
Calculations:	10.00	lb/MMSCF * 0.001 MMSCF/MMBtu * 7.01 MMBtu/hr =	0.07 lb/hr
	0.07	lb/hr * 8760 hr/yr * 0.0005 ton/lb =	0.31 ton/yr

PM_{10} Emissions

Emission Factor:	10.00	lb/MMSCF {FIRE, PC Version, 1/95, 2-02-002-02}	
Calculations:	10.00	lb/MMSCF * 0.001 MMSCF/MMBtu * 7.01 MMBtu/hr =	0.07 lb/hr
	0.07	lb/hr * 8760 hr/yr * 0.0005 ton/lb =	0.31 ton/yr

NO_X Emissions

Emission Factor:	12.00	gram/bhp-hr {Manufacturer's Data}	
Calculations:	12.00	gram/bhp-hr * 825 bhp * 0.002205 lb/gram =	21.83 lb/hr
	21.83	lb/hr * 8760 hr/yr * 0.0005 ton/lb =	95.61 ton/yr

CO Emissions

Emission Factor:	1.80	gram/bhp-hr {Manufacturer's Data}	
Calculations:	1.80	gram/bhp-hr * 825 bhp * 0.002205 lb/gram =	3.27 lb/hr
	3.27	lb/hr * 8760 hr/yr * 0.0005 ton/lb =	14.32 ton/yr

VOC Emissions

Emission Factor:	0.20	gram/bhp-hr {Manufacturer's Data}	
Calculations:	0.20	gram/bhp-hr * 825 bhp * 0.002205 lb/gram =	0.36 lb/hr
	0.36	lb/hr * 8760 hr/yr * 0.0005 ton/lb =	1.59 ton/yr

SO_X Emissions

Emission Factor:	0.60	lb/MMSCF {FIRE, PC Version, 1/95, 2-02-002-02}	
Calculations:	0.60	lb/MMSCF * 0.001 MMSCF/MMBtu * 7.01 MMBtu/hr =	0.0051 lb/hr
	0.0051	lb/hr * 8760 hr/yr * 0.0005 ton/lb =	0.02 ton/yr

(SOURCE #02)
Sivalls Dehydrator Reboiler

Hours of Operation:	8,760	hr/yr
Max Fuel Combustion Rate:	0.175	MMBtu/hr {Information from company}
Fuel Heating Value:	1,000	Btu/SCF or 0.0010 MMSCF/MMBtu
	0.00018	MMSCF/hr

PM Emissions

Emission Factor:	12.00	lb/MMSCF {AP-42, 1.4-1}	
Calculations:	12.00	lb/MMSCF * 0.00018 MMSCF/hr =	0.0021 lb/hr
	0.002	lb/hr * 8760 hr/yr * 0.0005 ton/lb =	0.01 ton/yr

PM_{10} Emissions

Emission Factor:	12.00	lb/MMSCF {AP-42, 1.4-1}	
Calculations:	12.00	lb/MMSCF * 0.00018 MMSCF/hr =	0.0021 lb/hr
	0.002	lb/hr * 8760 hr/yr * 0.0005 ton/lb =	0.01 ton/yr

NO_X Emissions

Emission Factor:	100.00	lb/MMSCF {AP-42, 1.4-1}	
Calculations:	100.00	lb/MMSCF * 0.00018 MMSCF/hr =	0.0175 lb/hr
	0.018	lb/hr * 8760 hr/yr * 0.0005 ton/lb =	0.08 ton/yr

CO Emissions

Emission Factor:	21.00	lb/MMSCF {AP-42, 1.4-1}	
Calculations:	21.00	lb/MMSCF * 0.00018 MMSCF/hr =	0.0037 lb/hr
	0.004	lb/hr * 8760 hr/yr * 0.0005 ton/lb =	0.02 ton/yr

VOC Emissions

Emission Factor:	5.30	lb/MMSCF {FIRE, PC Version, SCC10200603}	
Calculations:	5.30	lb/MMSCF * 0.00018 MMSCF/hr =	0.0009 lb/hr
	0.001	lb/hr * 8760 hr/yr * 0.0005 ton/lb =	0.00 ton/yr

SO_X Emissions

Emission Factor:	0.60	lb/MMSCF {AP-42, 1.4-1}

Calculations:	0.60	lb/MMSCF * 0.00018 MMSCF/hr =		0.0001 lb/hr
	0.0001	lb/hr * 8760 hr/yr * 0.0005 ton/lb =	0.00 ton/yr	

(SOURCE #03)
Various Building Heaters < 1 MMBtu/hr

Hours of Operation:	8,760	hr/yr Montana Power Contract		
Max Fuel Combustion Rate:	1.00	MMBtu/hr {Information from company}		
Fuel Heating Value:	1,000	Btu/SCF or 0.0010 MMSCF/MMBtu		
	0.00100	MMSCF/hr		
PM Emissions				
Emission Factor:	12.00	lb/MMSCF {AP-42, 1.4-1}		
Calculations:	12.00	lb/MMSCF * 0.00100 MMSCF/hr =		0.0120 lb/hr
	0.012	lb/hr * 8760 hr/yr * 0.0005 ton/lb =	0.05 ton/yr	
PM_{10} Emissions				
Emission Factor:	12.00	lb/MMSCF {AP-42, 1.4-1}		
Calculations:	12.00	lb/MMSCF * 0.00100 MMSCF/hr =		0.0120 lb/hr
	0.012	lb/hr * 8760 hr/yr * 0.0005 ton/lb =	0.05 ton/yr	
NO_X Emissions				
Emission Factor:	100.00	lb/MMSCF {AP-42, 1.4-1}		
Calculations:	100.00	lb/MMSCF * 0.00100 MMSCF/hr =		0.1000 lb/hr
	0.10	lb/hr * 8760 hr/yr * 0.0005 ton/lb =	0.44 ton/yr	
CO Emissions				
Emission Factor:	21.00	lb/MMSCF {AP-42, 1.4-1}		
Calculations:	21.00	lb/MMSCF * 0.00100 MMSCF/hr =		0.0210 lb/hr
	0.021	lb/hr * 8760 hr/yr * 0.0005 ton/lb =	0.09 ton/yr	
VOC Emissions				
Emission Factor:	5.30	lb/MMSCF {AP-42, 1.4-1}		
Calculations:	5.30	lb/MMSCF * 0.00100 MMSCF/hr =		0.0053 lb/hr
	0.0053	lb/hr * 8760 hr/yr * 0.0005 ton/lb =	0.02 ton/yr	
SO_X Emissions				
Emission Factor:	0.60	lb/MMSCF {AP-42, 1.4-1}		
Calculations:	0.60	lb/MMSCF * 0.00100 MMSCF/hr =		0.0006 lb/hr
	0.0006	lb/hr * 8760 hr/yr * 0.0005 ton/lb =	0.00 ton/yr	

V. Existing Air Quality

Permit #2764-06 is issued for the operation of a natural gas compressor station and associated equipment to be located at the SE¼ of the SE¼ of Section 24, Township 36 North, Range 5 West, in Glacier County, Montana. The existing air quality of the area is expected to be in compliance with all state and federal requirements.

VI. Ambient Air Impact Analysis

Permit #2764-06 allows the operation of a natural gas compressor station and associated equipment to be located in the SE¼ of the SE¼ of Section 24, Township 36 North, Range 5 West, in Glacier County, Montana. The Department believes that the amount of controlled emissions generated by this project will not exceed any set ambient air quality standard. Previously, ambient air quality modeling was conducted for all compressor stations in and near Glacier, Toole, Liberty, and Pondera Counties using two EPA guideline models (ISC2 and COMPLEX). The meteorological data used was taken from the Great Falls Airport National Weather Service station. The modeling for the Cut Bank Field, Station 025 assumed approximately 120.7 tons per

year of NO_X and 120.7 tons per year of CO. This facility is currently permitted to emit less than 100 tons per year of NO_X and CO. Therefore, the Department expects Omimex to continue to operate in compliance with the applicable ambient air quality standards by operating in accordance with the operational conditions and limitations included in the permit.

VII. Taking or Damaging Implication Analysis

As required by 2-10-101 through 105, MCA, the Department conducted a private property taking and damaging assessment and determined there are no taking or damaging implications.

VIII. Environmental Assessment

An Environmental Assessment is not required for the current permitting action because the change is considered administrative.

Permit Analysis Prepared By: Eric Thunstrom
Date: June 22, 2004